

EXHIBIT 1

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 20-F

(Mark One)

- ☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**
OR
- ☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2015
OR
- ☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____
OR
- ☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

UBS Group AG

Commission file number: 1-36764

UBS AG

Commission file number: 1-15060

(Exact Name of Registrants as Specified in Their Respective Charters)

Switzerland

(Jurisdiction of Incorporation or Organization)

UBS Group AG

Bahnhofstrasse 45, CH-8001 Zurich, Switzerland

(Address of Principal Executive Office)

UBS AG

Bahnhofstrasse 45, CH-8001 Zurich, Switzerland and

Aeschenvorstadt 1, CH-4051 Basel, Switzerland

(Address of Principal Executive Offices)

David Kelly

677 Washington Boulevard

Stamford, CT 06901

Telephone: (203) 719-3000

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Please see page 3.

Securities registered or to be registered pursuant to Section 12(g) of the Act:

Please see page 5.

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

Please see page 5.

Personnel by region

	As of			% change from
<i>Full-time equivalents</i>	31.12.15	31.12.14	31.12.13	31.12.14
Americas	20,816	20,951	21,317	(1)
<i>of which: USA</i>	19,897	19,715	20,037	1
Asia Pacific	7,539	7,385	7,116	2
Europe, Middle East and Africa	10,505	10,254	10,052	2
<i>of which: UK</i>	5,373	5,425	5,595	(1)
<i>of which: Rest of Europe</i>	4,957	4,663	4,303	6
<i>of which: Middle East and Africa</i>	176	166	153	6
Switzerland	21,238	21,564	21,720	(2)
Total	60,099	60,155	60,205	0

Personnel by business division and Corporate Center unit¹

	As of			% change from
<i>Full-time equivalents</i>	31.12.15	31.12.14	31.12.13	31.12.14
Wealth Management	10,239	10,337	9,988	(1)
Wealth Management Americas	13,611	13,322	13,545	2
Personal & Corporate Banking	5,058	5,206	5,209	(3)
Asset Management	2,277	2,323	2,217	(2)
Investment Bank	5,243	5,194	5,165	1
Corporate Center	23,671	23,773	24,082	0
<i>of which: Services</i>	23,470	23,517	23,747	0
<i>of which: Group ALM</i>	125	120	113	4
<i>of which: Non-core and Legacy Portfolio</i>	77	137	222	(44)
Total²	60,099	60,155	60,205	0

¹ Comparative figures in this table may differ from those originally published in quarterly and annual reports due to adjustments following organizational changes. Refer to the "Recent developments" section of our third quarter 2015 report for more information on personnel allocations from Corporate Center – Services to business divisions and other Corporate Center units. ² Represents information for UBS Group AG (consolidated). As of 31 December 2015, UBS AG (consolidated) employed 58,131 full-time equivalent personnel. The difference comprises 4 full-time equivalents in Wealth Management and 1,964 full-time equivalents in Corporate Center – Services.

Attracting and recruiting talent

We are committed to developing our existing employees' skills while hiring the best available talent, as required, to sustain and grow our core businesses. In 2015, 34% of all open positions were filled by internal candidates. We also hired 8,988 external candidates across the firm, with Wealth Management hiring 328 client advisors and Wealth Management Americas hiring 389 financial advisors.

In 2015, we further integrated the UBS House View on Leadership, explicit expectations for what good leadership looks like at UBS, and the Principles and Behaviors into our recruitment processes. We also want to hire talented women at all levels, especially within middle and senior management. Therefore, we further strengthened our recruitment procedures in 2015 to help ensure that qualified female candidates are fully considered for open roles.

Employees in nearshore or offshore locations comprised a larger percentage of our global workforce in 2015 than in 2014. In particular, the growth of our Business Solution Centers resulted in significant recruiting activities in Nashville (US), Pune (India), and Shanghai (China), as well as in Krakow and Wroclaw (Poland). We expect those hiring trends to continue in 2016.

Hiring and training a pipeline of young talent is a priority for us. In 2015, 475 university graduates were hired into one of our undergraduate or MBA graduate talent programs, along with 820 interns. Both groups bring new perspectives and skills to our global teams and comprise a continuous source of high-quality talent. In Switzerland, this was the third consecutive year in which we increased the number of new apprentices in conjunction with the UBS Education Initiative, hiring a total of 296 apprentices for business and information technology roles. We also recruited 193 trainees into

Note 2b Segment reporting by geographic location

The operating regions shown in the table below correspond to the regional management structure of the Group. The allocation of operating income to these regions reflects, and is consistent with, the basis on which the business is managed and its performance evaluated. These allocations involve assumptions and judgments that management considers to be reasonable, and may be refined to reflect changes in estimates or management structure. The main principles of the allocation methodology are that client revenues are attributed to the domicile of the client and trading and portfolio management revenues are attributed to the country where the risk is managed. This revenue attribution is consistent with the mandate of the country and regional Presidents. Certain revenues, such as those related to Corporate Center – Non-core and Legacy Portfolio, are managed at a Group level. These revenues are included in the *Global* line.

The geographic analysis of non-current assets is based on the location of the entity in which the assets are recorded.

For the year ended 31 December 2015

	Total operating income		Total non-current assets	
	CHF billion	Share %	CHF billion	Share %
Americas	11.3	37	7.1	47
<i>of which: USA</i>	<i>10.7</i>	<i>35</i>	<i>6.7</i>	<i>44</i>
Asia Pacific	5.0	16	0.5	3
Europe, Middle East and Africa	6.8	22	1.7	11
Switzerland	7.1	23	5.9	39
Global	0.5	2	0.0	0
Total	30.6	100	15.2	100

For the year ended 31 December 2014

	Total operating income		Total non-current assets	
	CHF billion	Share %	CHF billion	Share %
Americas	10.7	38	7.0	48
<i>of which: USA</i>	<i>10.1</i>	<i>36</i>	<i>6.6</i>	<i>45</i>
Asia Pacific	4.6	16	0.4	3
Europe, Middle East and Africa	6.8	24	1.5	10
Switzerland	6.8	24	5.6	38
Global	(0.9)	(3)	0.0	0
Total	28.0	100	14.6	100

For the year ended 31 December 2013

	Total operating income		Total non-current assets	
	CHF billion	Share %	CHF billion	Share %
Americas	10.2	37	6.1	46
<i>of which: USA</i>	<i>9.6</i>	<i>35</i>	<i>5.6</i>	<i>43</i>
Asia Pacific	4.5	16	0.4	3
Europe, Middle East and Africa	6.6	24	1.5	11
Switzerland	6.8	25	5.3	40
Global	(0.4)	(1)	0.0	0
Total	27.7	100	13.1	100